# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:1416
ANSWERED ON:02.03.2001
PRIVATISATION OF FOODGRAINS PURCHASE
UMMAREDDY VENKATESWARLU

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the Government have cleared proposals to privatise foodgrains purchase;

(b) whether the Government have plans to dismantle the Food Corporation of India on a slow and gradual basis;

(c) if so, the details thereof;

(d) whether any part of the duty assigned to the FCI are being taken out; and

(e) if so, the details thereof?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION ( SHRI CHAUHAN )

(a) & (b) : No, Sir.

(c) Does not arise.

(d) & (e) : The Government has started a scheme of Decentralised Procurement of foodgrains under which State Governments procure, store and undertake distribution of foodgrains. This will help the deficit or marginally surplus States to procure as much quantity of rice or wheat as may be required by the State Government for distribution under PDS.The quantity procured over and above the States requirements are handed over to FCI.The difference between the economic cost of the State Government and Central Issue Price is passed on to the State Government as subsidy.

Under this scheme, procurement of rice started in West Bengal during Kharif MarketingSeason 1997-98. In Madhya Pradesh and Uttar Pradesh, the scheme commenced with effect from lthe Rabi Marketing Season 1999-2000, for wheat.The State Government of U.P. has also commenced procurement of paddy/rice under this scheme with effect from the Kharif Marketing Season 1999-2000.